REMARKS

This Amendment is filed in response to an Office Communication mailed July 13, 2005. In the Office Communication, it was stated that Amendment filed on April 25, 2005 in response to the Office Action mailed December 29, 2004 was not fully responsive since claim 26 read "previously amended" and should have read "currently amended" and since claim 42 read "previously and currently amended" and should have read "currently amended". The omissions described in the Office Communication have been corrected herein to fully comply with 37 C.F.R. 1.121; otherwise this Amendment is substantively identical to that as that submitted by Applicant on April 25, 2005.

Claims 1-5, 7-13, 15-29, 31, 32, 34-42 and 44-48 are currently pending where claim 43 is canceled herein. In the Office Action, claims 1-5, 7-29 (*except that claim 14 was previously canceled*), 31, 32, and 34-48 were rejected under 35 U.S.C. §103(a) as being unpatentable over Demoff (US Pat. No. 6,456,984 B1, hereinafter "Demoff") in view of Cohen (US Pat. No. 6,505,171 B1, hereinafter "Cohen"). The prior Objection to the Abstract was overcome by amendment and was withdrawn and the prior Election/Restriction rejection was overcome by amendment to the claims and was withdrawn.

Applicant respectfully traverses the §103(a) rejection of claims 1-5, 7-29 (sic), 31, 32, 34-41, 43 and 46 based on Demoff in view of Cohen. Preliminarily, it is noted that claim 14 was previously canceled.

Regarding claim 1, contrary to that stated on page 3, paragraph 8, lines 12-13 of the Office Action, Demoff does not show "establishing ... a pre-paid cash account for the user." Demoff is particularly directed to *issuing credit* as payment in a consumer

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transaction (see Abstract) and employs a processing subsystem 28 that accesses a database 32 (and/or 34?) to determine *credit status* of the requesting customer before providing authorization (col. 3, lines 43-50)." Demoff's Abstract and list of objects and invention beginning on col. 1, line 53 to col. 2, line 59 specifies over and over again a method and/or system *"for issuing credit"*. Demoff describes two different credit-based transaction scenarios (see Demoff, col. 5, lines 43-61). First, in a preferred embodiment the vendor is registered so that the system "carries out the *credit transaction* directly with registered vendors." The "randomly generated or unique credit transaction number would be sent to the customer *only if* the vendor is not registered" (emphasis added). Second, for the unregistered vendor, the temporary credit transaction number is generated for that particular transaction, and "the vendor simply process (sic) the number through a conventional verification system like any other credit card number for appropriate authorization" (see Demoff, col. 6, lines 14-17). Demoff does not show or suggest a pre-paid cash account.

The Office Action states on pages 3-4 that Demoff failed to teach detecting, by the issuing and transaction system via a charge settlement network, a purchase transaction using the selected valid charge number between the user and a merchant, and authorizing, by the issuing and transaction system, the purchase transaction if a cash balance of the prepaid cash account is sufficient for a purchase amount of the purchase transaction, and Applicant agrees. But, contrary to that stated in the Office Action, neither does Cohen. Cohen does not teach detecting a purchase transaction using a selected "valid charge number." Cohen is specifically directed towards "handling purchase transactions ... using pre-paid cards as the medium of exchange" (see Cohen

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Abstract) rather than a valid charge number received from an issuing bank as recited in claim 1.

And further, Applicant respectfully submits that it would not be obvious to combine Cohen with Demoff such as to modify Demoff to have a pre-paid card with a unique identifier with the capability to exhange the card for currency and to transfer funds from a pre-paid card account to a merchant account if the transaction is authorized as stated in the Office Action. As specified by the MPEP §2141, the basic considerations which apply to obviousness rejections include the following tenets of patent law: (A) The claimed invention must be considered as a whole; (B) The references must be considered as a whole and *must suggest the desirability and thus the obviousness of making the combination*; (C) The references must be viewed *without the benefit of impermissible hindsight vision afforded by the claimed invention*; and (D) Reasonable expectation of success is the standard with which obviousness is determined (emphasis added).

As noted above, Demoff is particularly directed to issuing credit as payment and there is no suggestion whatsoever in Demoff of employing pre-paid cards or pre-paid accounts. And there would be no need to consider pre-paid systems since Demoff essentially assumes a credit-based system and consumers capable of employing and desiring the use of credit. Cohen, on the other hand, teaches away from the use of credit-based transactions. On col. 1, line 65 to col. 2, line 8, Cohen explains the problem with credit- based transactions:

> "Several drawbacks are apparent in the current transactional systems and processes. First of all, the almost exclusive use of credit based transactions removes a large pool of potential customers from purchasing over the Internet. Since many advertisers largely focus on today's youth due to their increased spending means, it would be useful to provide a medium of exchange independent of credit based transactions available to such

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patrons. Also, not everyone has the luxury of an established credit line or even desires to rely on credit."

Cohen instead discloses a system including a merchant host 41 (Fig. 1) which "prompts the consumer to selected one of several forms of payment" (see Cohen, col. 7, lines 9-10). The host system 41 must be connected to the Internet (via link 60, Fig. 1) and must include interactive pages preconfigured to include a "purchasing option 50 for using the pre-paid card 34 (FIG. 7) selectable by the consumer" (see Cohen, col. 7, lines 18-20). And the merchant must have agreed, apriori, to accept the particular pre-paid cards issued in the Cohen system (see col. 13, lines 61-67). Cohen suggests that links to "merchants" could be supplied at the activation site, which would not make sense unless the class of merchants was somehow limited, which is the case in Cohen: the merchants are limited to those accepting Cohen's pre-paid card. And Cohen states that such provision (links to merchants that accept Cohen's pre-paid card) saves consumers time by avoiding a search "for merchants accepting the pre-paid option 50." In other words, the merchant must agree to accept Cohen's pre-paid option and must further include specialized equipment and software connected to the Internet that is preconfigured and pre-authorized to accept the pre-paid card 34. This is required since the standard POS equipment used by vendors and merchants for accepting standard credit cards or card numbers for processing through conventional verification systems for appropriate authorization does not work for the pre-paid cards described in Cohen.

In summary, there is no suggestion within Demoff for the use of pre-paid accounts since such would not be necessary in a credit-based approach. And Cohen teaches away from credit-based transactions and provides no suggestion whatsoever for using valid charge numbers typically used in credit-based transactions. The only

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suggestion for such combination is Applicant's invention, which is improper hindsight. One skilled in the art would not be motivated to combine Cohen with Demoff or vice-versa since these references are essentially mutually-exclusive and teach away from each other.

Applicant respectfully submits, therefore, that claim 1 is allowable over Demoff in view of Cohen. Claims 2-5, 7-13 and 15-25 are also allowable as depending upon claim 1. Applicant requests withdrawal of the §103 rejection of these claims.

Further with respect to claims 23 and 24, neither Demoff or Cohen shows or suggests establishing, by the issuing and transaction system, an electronic mail account that enables communication between the online merchant and the user via the computer communications network as recited in claim 23, or generating, by the issuing and transaction system, an email address linked to a prepaid cash account associated with the user as recited in claim 24. Only Cohen even references an email address (Cohen, col. 10, line 7) and such is that requested from the consumer, not establishing an email account for the user or generating an email address for the user.

Claim 26 is allowable over Demoff in view of Cohen for similar reasons as claim 1. Demoff in view of Cohen does not show or suggest a charge number issuing system for issuing valid charge numbers via a electronic communications network comprising a storage device that stores valid charge numbers issued by an issuing bank and an accounts database including at least one prepaid cash account associated with the user, a network system for coupling to and enabling communications with the electronic communications network, and a transaction system, coupled to the storage device and the network system, that detects a request by a user for a charge number via the electronic

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communications network and that provides a selected one of the plurality of valid charge numbers via the electronic communications network in response to the request, where the transaction system is configured to authorize a purchase transaction submitted for authorization with the selected valid charge number via the charge settlement network if a cash balance in a prepaid cash account associated with the user is sufficient to cover a purchase amount of the purchase transaction.

Thus, claim 26 is allowable over Demoff in view of Cohen and claims 27-29, 31-32 and 34-41 are allowable as depending upon claim 26. Applicant requests withdrawal of the §103 rejection of these claims.

Claim 43 is allowable over Demoff in view of Cohen for similar reasons recited above for claims 1 and 26. Demoff in view of Cohen does not show the charge number issuing and processing system in which the storage device stores an accounts database including at least one prepaid cash account, and in which the transaction system is configured to authorize a purchase transaction submitted for authorization via the charge settlement network with a selected one of the plurality of valid charge numbers if a cash balance in a prepaid cash account is sufficient to cover a purchase amount of the purchase